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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/540,709	03/31/2000	Jay A. Walker	99-082	4003
22927	7590	09/28/2004	EXAMINER	
WALKER DIGITAL FIVE HIGH RIDGE PARK STAMFORD, CT 06905			FADOK, MARK A	
		ART UNIT	PAPER NUMBER	
		3625		

DATE MAILED: 09/28/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/540,709	WALKER ET AL.	
	Examiner	Art Unit	
	Mark Fadok	3625	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) Responsive to communication(s) filed on 14 June 2004.
- 2a) This action is **FINAL**. 2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) Claim(s) 1-19 and 21-59 is/are pending in the application.
 - 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) Claim(s) _____ is/are allowed.
- 6) Claim(s) 1-19 and 21-59 is/are rejected.
- 7) Claim(s) _____ is/are objected to.
- 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
 - a) All b) Some * c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) <input type="checkbox"/> Notice of References Cited (PTO-892)	4) <input type="checkbox"/> Interview Summary (PTO-413)
2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)	Paper No(s)/Mail Date: _____.
3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date <u>4/5/04, 4/8/04</u> .	5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)
	6) <input type="checkbox"/> Other: _____.

DETAILED ACTION

Response to Amendment

The examiner is in receipt of applicant's response to office action mailed 2/17/2004, which was received 6/14/2004. Acknowledgement is made to the cancellation of claim 20 leaving claims 1-19 and 21-59 as pending in the instant application. The applicant's response has been carefully considered, however, it was not found to be persuasive, therefore the previous rejection is restated below.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-46, 56,58 and 59 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for

Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998). This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "whether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the

claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, Claims 1-46 and 56 are non-statutory because there is no computer implementation or any other technology involved.

Claims 58 and 59 are non-statuary even though the term website is introduced for the following reasons. "Via website" as used in the instant claims is considered trivial because if the claim is considered in its broadest reasonable interpretation, the argument could be raised that the only function that the site performs in the step of "establishing", is receiving the agreement, which is considered a trivial use of technology. However, it could also be that the site performs negotiation activities, which could be considered statutory, but these activities are not clearly evident as set forth in the instant claims.

To overcome this rejection the Examiner recommends that Applicant amend the claims to better clarify which of the steps are being performed within the technological

arts, such as incorporating a computer network or electronic network into the communicating steps.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-4,6-19,22-33, and 35-59 are rejected under 35 U.S.C. 103(a) as being unpatentable over Garfinkle (6,512,570), in view of Nicholson {US 6,332,128} and further in view of Official Notice.

In regards to claim 1, Garfinkle teaches a method comprising establishing an agreement to provide X units of a product for an agreement price (FIG 5D), arranging with a retailer to have the product redeemed at the retailer (FIG 5E); Garfinkle teaches updating databases to reflect order activity (FIG 7A), but does not specifically mention that the data is being received indicating the redemption of Y units of product, where Y is a non-integer. Nicholson teaches a controller that monitors the dispensing of gasoline to determine maximum fuel units (FIG 2, Field number 6). It would have been obvious to a person having ordinary skill in the art at the time of the invention to include the agreement system of Garfinkle the control system of Nicholson, because this would assure that only the proper amount of fuel is dispensed.

The combination Garfinkle and Nicholson teaches supplying X units from a retailer and receiving data indicating a redemption of the product, but neither specifically mentions that the returned Y redemption amount is a non-integer. It was old and well known in the art to track and return information regarding amounts redeemed in the form of a non-integer (fueling stations). It would have been obvious to a person having ordinary skill in the art to include in the combination of the systems returning the amount of product dispensed in non-integer form, because this would allow the customer and the supplier to pay and get paid for only the product which is dispensed which is notoriously well known in the art.

In regards to claim 2, the combination of Garfinkle teaches sponsors giving discounts for products sold from the central location (col 10, lines 1-8), but does not specifically mention that the price is necessarily less than the product being sold at the retailer. Nicholson teaches establishing a price per unit (PPU) that is less than the displayed PPU. It would have been obvious to a person having ordinary skill in the art to include in Garfinkle establishing a price that is lower than the retail price, because over charging for the same product pre-purchased that a retailer sells for less would be dissatisfying to the customer who would most likely not use the system again to purchase products.

In regards to claim 3, Garfinkle teaches receiving from the customer an offer to purchase the product for an agreement price; and indicating an acceptance of the offer {FIG 5B-5E)

In regards to claim 4, the combination of Ganfinkle/Nicholson teaches setting up an agreement price with a retailer and providing a pricing structure to a customer based on this agreement price (see above), but does not specifically mention that a decision is made based on the difference between a settlement and agreement price. It was old and well known in the consignment/auction art to determine a minimum sale price, which would usually be the lowest price that a seller would accept. In the case of Garfinkle if the controller sold the product for less than the agreed upon price than the consigner would be responsible for the difference. It would have been obvious to a person having ordinary skill in the art to include in the combination of Garfinkle/Nicholson, determining a difference between an offer price and a settlement price, because this would determine if a reasonable profit was being made and also determine if a loss was eminent. Wherein if a loss were taken to many times the owner of the system would surely go out of business.

In regards to claim 6, Garfinkle teaches receiving from the customer a payment equal to the agreement price (FIG 5D)

In regards to claim 7, the combination of Garfinkle/Nicholson teaches collecting a payment through a billing module {FIG 5D}, but does not specifically mention that the payments are being accepted as installment payments. Accepting payment in installments is notoriously well known in the art at the time of the invention. It would have been obvious to a person of ordinary skill in the art to include in Garfinkle/Nicholson,

installment payments, because this would allow the purchaser to make payments on terms, which would allow the buyer to purchase more product and thus increase sales.

In regards to claim 8, Garfinkle teaches accepting a payment, but does not specifically mention that the payment is made after X units of the product are redeemed. Nicholson teaches payment when X units have been redeemed {FIG 2}. It would have been obvious to a person having ordinary skill in the art to include in Garfinkle collecting a payment from the customer upon redemption of the units, because this would permit the user to only pay for the product when it is redeemed, thus giving the customer the use of their money for other things. Installment payments such as "pay for only what you use" are notoriously well known in the art.

In regards to claim 9, Garfinkle teaches paying the retailer a settlement amount (col 10, lines 1-20), but does not specifically mention that the payment is made after receiving data indicating the redemption. Nicholson teaches paying the vendor a settlement after dispensing fuel (col 8, lines 5-41). It would have been obvious to a person having ordinary skill in the art to include in Garfinkle the teachings of Nicholson, because this would permit the controller to only pay for product that was dispensed and not have to pay for product that had not as yet been redeemed. This would be highly desirable considering economic and cost of money elements, which would need to be considered in a pre-settlement where a customers money would be tied up for a period of time.

In regards to claims 10-13, the combination of Garfinkle/Nicholson and Official Notice teach the rudimentary mathematical computations of the instant claims. Furthermore, determining that an amount of the product redeemed by the customer exceeds a quantity remaining under the agreement, maintaining inventory control and providing only what is in an agreement is old and well known in the art and detecting overages as well as shortages in relation to a specific agreement is commonly practiced. It would have been obvious to person of ordinary skill in the art to include the features of the instant claims, because a business person might wish to use any number of commonly used business methods to improve the functioning of the system.

In regards to claim 14, the combination of Garfinkle/Nicholson teach providing a rebate to a customer, but does not specifically mention that the customer first pays the full amount then gets a rebate. Having customers pay full price then providing a mail in rebate for the difference between the full price and an agreed upon price was old and well known at the time of the invention. It would have been obvious to a person having ordinary skill in the art to provide the rebate at some time after the payment of the retail price, because this would allow the merchant to provide the rebate without having to reach an agreement with the retailer, thus saving time and energy setting up specific agreements for each retailer.

In regards to claim 15, the combination of Garfinkle/Nicholson teach transmitting to the retailer the agreement to provide X units of the product for the agreed price (Nicholson, FIG 1).

In regards to claims 16 and 17, Garfinkle teaches transmitting information to the retailer concerning the sale of product, but does not specifically mention that there is an active authorization transmitted to the retailer. Nicholson teaches active authorization from a controller receiving information indicating a redemption (FIG 1). It would have been obvious to a person having ordinary skill in the art to include in Gartinkle the authorization techniques as described in Nicholson, because this would confirm the transaction was taking place and confirm the payment of funds before the transaction product was consumed (much like confirming a voucher before the product is released) and assure that the retailer was going to be paid, otherwise the retailer would be assuming a risk that was not agreed to initially.

In regards to claim 19,22-33 and 35-59, the combination of Garfinkle/Nicholson/Official Notice teaches all the features of the instant claim (see response to claims 1-18 above). However, the discussion above does not specifically mention the following features of the instant claims:

Claim 19, receiving a redemption identifier (Nicholson, FIG 1, Receipt)

Claim 24, determining a quantity remaining {Nicholson FIG 3A)

Claim 45, generating a second redemption identifier, (Nicholson FIG 3C, ITEM

73),

Claim 56, providing equivalents to a product upon redemption was old and well known in the art at the time of the invention. It would be obvious to a person of ordinary skill in the art at the time of the invention to include in the combination of Garfinkle/Nicholson/Official Notice providing an alternative product, because this would provide the store with an option if the original product were out of stock and assure that a sale is not lost.

Claim 58, transmitting via a website (col 5, lines 1-35)

Claim 5 are rejected under 35 U.S.C. 103(a) as being unpatentable over Garfinkle (6,512,570), in view of Nicholson (US 6,332,128) and in view of Official Notice and further in view of Scroggie (US 6,014,634).

In regards to claim 5, the combination of Garfinkle/Nicholson teaches determining a difference between the agreement price and a settlement price to be paid to the retailer (see above), but does not specifically mention that a subsidy is being identified to cover the difference. Scroggie teaches searching for subsidies from product manufacturers and applying that to a safe (col 8, lines 7-67). It would have been obvious to a person having ordinary skill in the art at the time of the invention to search for a manufacturer's subsidy that was greater than the difference, because this could assure that a profit is made and the company would not go out of business by agreeing to sell products below cost.

Claims 20 and 21 are rejected under 35 U.S.C. 103(a) as being unpatentable over Garfinkle (US 6,512,570), in view of Nicholson (US 6,332,128) and in view of Official Notice and further in view of McCall (US 6,321,984).

In regards to claims 20 and 21, the combination of Garfinkle/Nicholson and Official Notice teach dispensing a product at a remote location, but does not specifically mention that the dispensing is restarted with additional units after the agreed upon amount is consumed in its entirety. McCall teaches allowing additional product to be dispensed after a prepaid amount is dispensed. (col 7, lines 1-50). It would have been obvious to a person of ordinary skill at the time of the invention to include in the combination of Garfinkle/Nicholson and Official Notice allowing additional product to be dispensed after a prepaid amount is dispensed, because this would permit the station to sell additional product instead of sending the customer to another location to purchase the same product, thus providing for a satisfied customer.

Claim 34 is rejected under 35 U.S.C. 103(a) as being unpatentable over Garfinkle (US 6,512,570), in view of Nicholson (US 6,332,128) and in view of Official Notice and further in view of the Harris article.

In regards to claim 34, the combination of Garfinkle/Nicholson and Official Notice teach the abstract calculations of the instant claims (see above), but does not specifically teach assessing a penalty to the customer. Harris teaches penalties charged for

lackluster service and defective materials. It would be obvious to a person of ordinary skill in the art to include in the combination of Garfinkle/Nicholson and Official Notice penalties as taught by Harris, because penalties are a means for assuring that terms agreed to are accomplished according to contract and also act as a means for modifying behavior. These penalties also serve to compensate the seller for any inconvenience, which is caused by contract default.

Response to Arguments

Applicant's arguments filed June 14,2004 have been fully considered but they are not persuasive.

Applicant argues that the 101 rejection is improper because the claims recite useful, concrete and tangible results, however, the examiner has rejected the claims as not being in the technological arts, therefore the examiner disagrees with applicant's accretion and the rejection stands as stated above.

The examiner concurs with applicant's determination that Nicholson should and has been replaced in the first claim.

In response to applicant's argument that Garfinkle is nonanalogous art as applied to the combination of Official Notice to supply product in amounts that are non-integer, it has been held that a prior art reference must either be in the field of applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the applicant was concerned, in order to be relied upon as a basis for rejection of the claimed invention. See *In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992). In this case, Garfinkle is chosen to teach that there existed in the art of

electronic commerce the method of establishing an agreement to provide X units of a product for an agreement price, arranging with a retailer to have the product redeemed at the retailer and updating databases to reflect order activity (FIG 7A). It is further shown that in the art of electronic commerce there exists a teaching of providing an amount of product other than what was originally ordered. Making this combination would have been well within the skill of an ordinary artisan at the time of the invention. Therefore, it is believed the applicant has ignored the processes taught and has merely focused on the embodiments.

In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). In this case the applicant does not include Nicholson in combination with Garfinkle when attacking the combination of Garfinkle/Nicholson and Official Notice. When Garfinkle is considered with Nicholson the result of the combination is reasonable and not "nonsensical" as noted by the applicant.

In response to applicant's argument that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a

reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971).

In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., that the term subsidy has a specific meaning defined by the specification including obligations etc.. It is noted that the statement is represented out of context of what is stated in the applicant's specification as follows: the specification states "Generally, the subsidy database is used to store information relating to subsidies which are paid to the controller 200 in return for customer acceptance of an obligation 930. As will be described below, such subsidies can be used by the controller 200 to make up a difference between payments received from a customer under an agreement and payments made to retailers under the agreement. Accordingly, the data in the subsidy database 900 is used in one embodiment to determine whether or not to accept a customer offer." This clearly shows that what the applicant claims as a definition is in fact an embodiment.) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

In response to applicant's argument to claim 5 that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so

found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, the motivations are from the knowledge generally available to one of ordinary skill in the art.

Applicant argues that the examiner has not identified the rudimentary calculations in the combination of Garfinkle/Nicholson and Official Notice, the examiner directs the applicant's attention to at least the response to claims 8-13 above.

In response to applicant's argument that there is no suggestion to combine the references of claim 34, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988)and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, the examiner notes "to establish a prima facie case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or

suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991). See MPEP section 2143 - Section 2143.03 for decisions pertinent to each of these criteria (MPEP2142). In light of *In re Vaeck* the following steps were accomplished by the examiner 1) motivation was given as suggested from the knowledge generally available to one of ordinary skill in the art; 2) there is a reasonable expectation of success since the combination was well within the skill of someone of ordinary skill in the art at the time of the invention and were also well within the technology as taught in the combined references; and 3) the prior art references teach all of the claimed features.

In regards to applicant's argument regarding the applicant's lack of traversal in the prior reply. "To adequately traverse such a finding, an applicant must specifically point out... why the noticed fact is not considered to be common knowledge or well known in the art. See 37 CFR 1.111(b). See also *Chevenard*, 139 F.2d at 713. 60 USPQ at 24. Since the applicant has not pointed out why the noticed fact is not considered to be common knowledge or well known in the art, the examiner is under no obligation to supply factual evidence at this time. However, the examiner suggests that the applicant review their own IDS's particularly the latest ones provided to find support for these purported allegations of features that were considered old and well known in the art by the examiner.

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to **Mark Fadok** whose telephone number is **(703) 605-4252**. The examiner can normally be reached Monday thru Thursday 8:00 AM to 5:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, **Vincent Millin** can be reached on **(703) 308-1065**.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the **Receptionist** whose telephone number is **(703) 308-1113**.

Any response to this action should be mailed to:

Commissioner for Patents

P.O. Box 1450

Alexandria, Va. 22313-1450

or faxed to:

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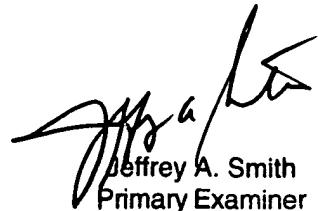
"PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington, VA, 7th floor receptionist.



Mark Fadok

Patent Examiner



Jeffrey A. Smith
Primary Examiner

